

# PREMIUM FINANCE AGREEMENT AND DISCLOSURE STATEMENT

<b>Universal Premium Acceptance Corp</b> <b>8245 Nieman Road, Suite 100</b> <b>Lenexa, KS 66214-1508</b> <b>Tel 913-894-6150 * 800-877-7848 * Fax 913-894-4988</b> <b>www.upac.com * info@upac.com</b>  <b>HEREINAFTER CALLED THE FINANCE CO.</b>	<b>Please check appropriate boxes</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Endorsement <input type="checkbox"/> Personal <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Coupon Book <input type="checkbox"/> Payment Invoice <input type="checkbox"/> Automatic Withdrawal	NC LIC #B-304 SC LIC #91940169  Version Number 4 Quote Number 1052036 Reference Number
---	--	---

<b>INSURED: Name and Address (as stated in policy)</b> <b>DAMONS INTERNATIONAL ETA</b> <b>BILL NIEGSCH</b> <b>4849 EVANSWOOD DR</b> <b>COLUMBUS, OH 43229-0000</b> <b>Phone: 614-558-1651</b>	<b>PRODUCER: Name and Place of Business</b> <b>PERRY HALL INSURANCE BROKERS INC</b> <b>9407 BELAIR RD</b> <b>BALTIMORE, MD 21236-1503</b> <b>Phone: 410-529-6354</b> <b>WEB: 12619</b>
--	---

## FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT

TOTAL PREMIUM(S)	DOWN PAYMENT	AMOUNT FINANCED Amount of credit provided to you or on your behalf.	FINANCE CHARGE The dollar amount the credit will cost you.*	TOTAL OF PAYMENTS Amount you will have paid after you have made all the scheduled payments.	TOTAL SALE PRICE (Deferred payment price.) The total cost of your purchase on credit, including your down payment.	ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.
\$31,878.00	\$7,947.50	\$23,930.50	\$979.52	\$24,910.02	\$32,857.52	9.720 %
<b>YOUR PAYMENT SCHEDULE WILL BE: &gt;</b>				<b>(A) AMOUNT OF EACH PAYMENT</b> \$2,767.78	<b>(B) NUMBER OF PAYMENTS</b> 9 Monthly	<b>(C) PAYMENTS ARE DUE BEGINNING</b> 12/1/2009

**SECURITY:** You are giving a security interest in the policy(ies) listed below.

**LATE CHARGE:** Late charge is 5% of scheduled payment as allowed by law, not to exceed \$5 DE, MT; \$5 (personal) NJ, NM, SC, SD, WA; \$10 (personal) ME, OH, WV; \$15 (personal) CO, MO, MS; \$22 OK (personal); \$20 IA (personal); \$500 NM (commercial); min. \$1 AR, DE, IL, IN, KY, MI, MN, NC, NH, NV, OH, OR, RI, SC, VT, WA; min. \$1 (personal) NJ, WV; min. \$1 (commercial) HI, ID, LA, NE, SD, WY; min. \$1.50 AL, GA; min. \$2 TN; min. \$12.50 ID (personal); min. \$10 WY (personal); min. \$20 UT; min. \$25 NJ (commercial); 2% plus \$5 KS; \$5 on less than \$250 payment amount, 2% on over than \$250 payment amount AK, OR; \$17.50 IN (personal); \$5 ND

**PREPAYMENT:** If you pay off early, you may be entitled to a refund of part of the finance charge. \* Finance charge includes non-refundable service fee of \$7.50 OK (personal); \$10 AK, AR, CO, CT, DE, HI, KS, LA, MO, NE, OR, SD, WA; \$10 (commercial) IA, ID, IN, ME, MN, OK, WV, WY; \$12 NJ; \$12.50 MT; \$15 AL, KY, NC, RI; \$18 MI; \$20 DC, GA, ND, SC; \$20 (personal) IL, MN, OH; \$25 NV; \$30 IL (commercial); not in MS, NH, NM, TN, UT, VT; not in OH (commercial); not in (personal) IA, ID, IN, ME, WV, WY

## SCHEDULE OF POLICIES COVERED BY THIS AGREEMENT

Policy Prefix and Number	Policy Term (in months)	Name and address of Insurance Co. and name and address of General or policy issuing Producer	Effective Date of Policy	Type of Coverage	Premium Amount
		See Attached Schedule of Policies			

*If any of the policies listed above are assigned risk, have premiums subject to adjustments by audit, or have other restrictions i.e. more than 10 day notification of cancellation, short rate cancellation, fully or partially earned premiums, or if the insured is involved in any bankruptcy proceeding, or if there is any other situation which would make the return premium indefinite or less than standard 10 day/prorate producer must indicate above.*

FOR VALUE RECEIVED: I, Buyer agrees to all the provisions set out above and on the attached hereof. (continued on attachment)

NOTICE: THE FINANCE CO is subject to all claims and defenses which the Debtor could assert against the Seller of goods or services obtained pursuant hereto or with the proceeds thereof. Recovery hereunder by the Debtors shall not exceed amount paid by the Debtor hereunder. THE FINANCE CO and the producer shown here are considered to be multiple creditors for purposes of the Federal Truth in Lending Law.

NOTICE TO INSURED BUYER: Upon receipt of this contract whether you have signed it or authorized the Producer to sign for you. Insured Buyer agrees to the provisions on each page of this contract. 1. Do not sign this before you read the writing on the attached pages even if advised otherwise. 2. Make sure there are no blank spaces and that all terms and computations are correct. 3. If any errors exist contact your Producer and THE FINANCE CO immediately. 4. In the event of prepayment of the full amount due, the unearned portion of the finance charge exclusive of the additional charge referred to above shall be calculated according to the "Rule of 78ths" for each full month remaining on the contract where required by law. Refunds will be calculated under the actuarial method in CO (personal), IA (personal), ME (personal), MO, MT, NJ, OR, UT, VT. Refunds will be calculated under the sum of the periodic balances method in ID (personal), IN (personal), KY, MI, MN (personal), NV, NH, NC, ND, OK (personal), TN. Refunds will be calculated under the short rate basis in SC, 5. Finance Charge applies from the effective date of the earliest policy. 6. You are entitled to an exact copy of the agreement at the time you sign. 7. Keep your copy of this agreement to protect your legal rights.

Buyer's Signature \_\_\_\_\_

Date \_\_\_\_\_

Producer - (where allowed by law - NOT PERMITTED IN AK, ID (personal), IN (personal), IA (personal), LA (commercial), NV, NC, OH, OR, SC, AND TN)

## WARRANTY AND AGREEMENT

The undersigned warrants: 1. That the insured received a copy of this agreement. 2. That this agreement evidences a bona fide legal indebtedness. 3. This agreement is without recourse on the Producer unless amended by a duly executed Letter of Responsibility. 4. Producer warrants that the insurance described above has been ordered by the Insured Buyer, has been placed with the insurance companies, the information shown in the schedule of policies is correct, the cash down payment indicated above has been collected (in good funds) and that the Producer has paid or will pay the down payment plus any funds advanced by THE FINANCE CO to the insurance companies in order to assure that the policies listed herein are put into effect on the dates so indicated. Producer agrees to provide written notice to THE FINANCE CO of any subsequent endorsement to the schedule of policies. 5. If Insured Buyer has not signed the agreement, Producer certifies that he has been fully and lawfully authorized to sign this agreement by and on behalf of Buyer. 6. Upon termination of this agreement or cancellation of any policies to pay THE FINANCE CO the unearned insurance premiums and unearned insurance commissions received by, or credited to it, and that any lien it has is subordinated to the lien of THE FINANCE CO.

**As collateral security for the payment of the above obligation Buyer agrees as follows:**

2. Buyer, by his signature, promises to pay THE FINANCE CO the amount listed in TOTAL OF PAYMENTS, in consecutive installments as described in boxes A, B, and C.
3. Buyer appoints any officer or employee of THE FINANCE CO as Buyer's Attorney-in-Fact with power to arrange payment for and/or cancellation of all policies listed on the attached hereof.
4. In case of default of any payment or failure of the Buyer to pay any endorsement to the schedule of policies within 30 days of the effective date of such endorsement, THE FINANCE CO may, after having given the 10 days; 5 days AL, AR, CT, DC, GA, HI, IA (commercial), IL, LA, ME, MO, MT, NC, NE, NH, OH, RI, SC, SD (commercial), VT, WA, WY (commercial); 15 days ME (personal) (plus mailing) written notice mailed to Buyer and Producer of intent to cancel, during which ten-day period Buyer may cure default, thereafter cancel any policies mentioned on the attached hereof.
5. Default shall accelerate all payments which shall be deemed to have matured.
6. If not paid at maturity, whether by acceleration or otherwise, THE FINANCE CO may place this agreement in the hands of an attorney for collection and THE FINANCE CO may collect actual statutory attorney fees and statutory costs if awarded in a court of law. (25% of outstanding indebtedness in VT, 20% of outstanding indebtedness in MO and NV. Not in Kentucky. Not in Maine (consumer loans)).
7. Payments are to be made to THE FINANCE CO unless otherwise notified in writing.
8. If a default results in the cancellation of any insurance contract listed in this agreement, the agreement may provide for the payment by the insured of a cancellation charge, subject to applicable state law requirements.
9. Demand for payment, protest, and notice of dishonor waived.
10. No insurance is charged hereunder, and no official fees are charged.
11. Buyer assigns to THE FINANCE CO all rights to return premiums which may in any manner become payable to or under the policies listed on this Agreement, subsequent to default under said policies which reduce the unearned premiums (subject, however to any prior perfected mortgagee or loss payee interest). THE FINANCE CO hereof shall first apply any such payments to satisfy the amount due under this Agreement, interest or late charges as may be provided herein and/or as are allowed by law, and remit any surplus then remaining to Buyer at the address give hereon.
12. The Buyer shall not assign or otherwise encumber (except as may be provided herein) the policies listed herein, during the term hereof, and agrees that THE FINANCE CO may correct typographical and computational errors without notice, provided that such corrections are in accordance with standard rates of THE FINANCE CO.
13. In the event of any default in the payment of any installment due hereunder or in the event of an assignment without the consent of THE FINANCE CO hereof, or if the property insured is sold, or if the Buyer becomes insolvent or be declared bankrupt, or in the event of the death of the Buyer, such happening, default or breach shall be deemed an election on the part of the Buyer and/or his estate to cancel the policies, and THE FINANCE CO, at its election after giving the Buyer 10 days notice that said policies will be cancelled, is authorized to notify the insurance company of such cancellation and in such case have the return premium paid direct to THE FINANCE CO.
14. In the event of the cancellation of the policies by the insurance companies, the return premium shall be paid direct to THE FINANCE CO. If THE FINANCE CO receives any payments from Buyer after cancellation procedures have been initiated or effected, THE FINANCE CO at its option may, without further notice, apply said payment to any balance owing on Buyer's account without attempting to stop such cancellation or without attempting to reinstate said policy.
15. If any insurance company listed herein is declared insolvent or subject to receivership proceedings or placed in receivership or if THE FINANCE CO shall in good faith feel insecure as to the financial or other legal status of one or more of the listed insurance companies, then the full amount payable hereunder shall at THE FINANCE CO's option become forthwith due and payable without notice and THE FINANCE CO shall have the right to cancel said policies and pursue any and all of its other rights under this Agreement and particularly Paragraph 13 hereof. (Not applicable in KY and NV)
16. Buyer releases and discharges and agrees to hold harmless THE FINANCE CO hereof, and his or its agents, officers, employees, and assignees from any liability or cause of action by reason of any cancellation made or notified or pursuant to provisions hereof. (Not in KY and NC).
17. No waiver by THE FINANCE CO shall be construed as a waiver of any other or subsequent default nor affect any rights incident thereto. No assignee of THE FINANCE CO shall be under any liability hereunder as an insurer or as a producer or employee of an insurer. The entire contract between the parties hereto is contained herein and there are no other conditions, provisions, understandings or undertakings.
18. Buyer agrees that the surrender of the policies shall not be necessary to entitle THE FINANCE CO to receive any return premiums and hereby authorizes each of the insurance companies to pay to THE FINANCE CO all such return premiums otherwise payable hereunder without requiring the surrender of any policy or certificate.
19. Buyer agrees that no producer soliciting and/or writing any of said policies was or is the agent of THE FINANCE CO hereof, all such producers having acted solely as agents of the insurance companies. No acts, representations, promises or warranties of any such producers with respect to this contract or any of said policies shall be binding upon THE FINANCE CO.
20. Any notice mailed by THE FINANCE CO, postage prepaid, to the Buyer at the last address furnished by the customer to the merchant shall be sufficient notice, but this provision shall in no way be deemed or construed to require the giving of any notice not specifically provided for herein, and all rights and notices shall be of equal effect and notice to other persons who may be insured on any such policy in addition to the Buyer.
21. The singular shall include the plural herein to give full effect to the meaning. Buyer as used herein shall mean the insured. Producer as used herein shall include within its meaning the insurance seller, agent, agency or broker. Producer is not an agent of THE FINANCE CO.
22. If any of the terms or provisions hereof are against the public policy of the law of the applicable state, then such terms or provisions shall to that extent be of no force or effect, provided, however, the remainder of this agreement shall continue to be of full force and effect unless otherwise provided by law.
23. If the Endorsement Box on the attached page is checked then this form shall constitute a written request that the additional premium(s) listed on the attached page be added to the original obligation. THE FINANCE CO agrees to notify the Buyer by ordinary mail of any resulting adjustments under the revised finance agreement. Buyer agrees to be bound by such adjustments.
24. Agrees that this agreement shall not be effective until accepted in writing by THE FINANCE CO in Lenexa, Kansas.
25. Agrees that the insurance company or producers are not agents of THE FINANCE CO and have no power to bind THE FINANCE CO by any statements or representations and any monies paid to any one other than THE FINANCE CO are paid at the insured borrower's risk. It is further understood that THE FINANCE CO is not an insurance company and assumes no liability as such hereunder and is not a producer and is not directly or indirectly a party of any insurance contract and has no responsibility for any claim the insured borrower may have arising out of the policy. It is expressly agreed that THE FINANCE CO is not liable and shall not in any event or under any condition become liable to the insured borrower for any injury or damage the cancellation or reinstatement of same. If any provisions of this exculpatory clause shall be held to be illegal or void as being contrary to public policy, the remainder of the exculpatory clause shall not be affected. (Not applicable in KY).
26. Borrower hereby submits to the jurisdiction of Kansas for all disputes relating to this Finance Agreement.
27. An administrative fee of \$5.00 for originating the initial premium service agreement may be collected by the producer or brokerage company (SC only).
28. An administration fee will be imposed on unclaimed funds where allowable by state law.

Account: 4 Quote: 1052036  
Reference:

READ AND SIGN  
EACH PAGE

**SCHEDULE OF POLICIES COVERED BY THIS AGREEMENT**

Policy Prefix and Number	Policy Term (in months)	Name and address of Insurance Co. and name and address of General or policy issuing Producer	Effective Date of Policy	Type of Coverage	Premium Amount
CP1551271	12	UNITED STATES LIABILITY INSURANCE WAYNE, PA INSURANCE INNOVATORS INC GLENSIDE, PA	11/9/2009	PKG	\$25,038.00
Unassigned	12	GREAT AMERICAN INSURANCE SYRACUSE, NY INSURANCE INNOVATORS INC GLENSIDE, PA	11/1/2009	DIC	\$6,400.00
XL2116638	12	MOUNT VERNON FIRE INSURANCE CO WAYNE, PA INSURANCE INNOVATORS INC GLENSIDE, PA	11/9/2009	UMBRC Tax	\$420.00 \$20.00

**NOTICE: SEE ATTACHED FOR IMPORTANT INFORMATION**

PFA2C 03/09

Universal Premium Acceptance Corp  
8245 Nieman Road, Suite 100  
Lenexa, KS 66214-1508  
Tel 913-894-6150 \* 800-877-7848 \* Fax 913-894-4988  
www.upac.com \* info@upac.com

**HEREINAFTER CALLED THE FINANCE CO.**